

Message Text

UNCLASSIFIED

PAGE 01 OTTAWA 00267 180104Z
ACTION EUR-12

INFO OCT-01 ISO-00 SP-02 USIA-15 AID-05 EB-08 NSC-05
TRSE-00 SS-15 STR-06 OMB-01 CEA-01 CIAE-00
COME-00 FRB-01 INR-07 NSAE-00 XMB-04 OPIC-06
LAB-04 SIL-01 AGRE-00 DOE-11 SOE-02 PA-02 PRS-01
/110 W

-----036404 180543Z /11

R 180056Z JAN 78
FM AMEMBASSY OTTAWA
TO SECSTATE WASHDC 6013
ALL CONGENS IN CANADA POUCH

UNCLAS OTTAWA 00267

DEPT. PASS CEA, TREAS, FRB

E.O. 11652:N/A
TAGS: ECON, EFIN, CA
SUBJECT: CANADIAN INFLATION CONTINUES TO ACCELERATE IN
DECEMBER

1. SUMMARY. SEASONALLY ADJUSTED CONSUMER PRICE INDEX
ADVANCED BY 0.8 PERCENT IN DECEMBER BRINGING ANNUAL RATE
OF INFLATION OVER LATEST 3 MONTHS TO 11.2 PERCENT. HIGHER
FOOD PRICES LED RISE IN OVERALL INDEX. TWELVE MONTH
INCREASE (NON-SEASONALLY ADJUSTED) RISE IN CPI WAS 9.5 PER-
CENT PRODUCING AVERAGE ANNUAL INCREASE OF 8 PERCENT IN 1977.
INDEX OF ALL ITEMS EXCLUDING FOOD CONTINUED TO INCREASE
LESS RAPIDLY THAN OVERALL CPI. PATTERN OF INFLATION IN
1977 WILL EFFECT PRICE PERFORMANCE THIS YEAR. END SUMMARY.

2. ACCORDING TO JANUARY 17 STATCAN RELEASE, SEASONALLY
ADJUSTED CONSUMER PRICE INDEX ADVANCED BY 0.8 PERCENTAGE
POINTS BETWEEN NOVEMBER AND DECEMBER, BRINGING ANNUAL RATE
OF CHANGE IN CPI OVER LATEST THREE MONTHS TO 11.2 PERCENT.
IN THREE MONTHS TO NOVEMBER, CPI ROSE AT ANNUAL RATE (S.A.)
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 OTTAWA 00267 180104Z

OF 10.8 PERCENT.

3. SEASONALLY ADJUSTED FOOD PRICES CLIMBED BY 1.9 PERCENT
IN DECEMBER, DOMINATING INCREASE IN OVERALL CPI. INDEX
OF ALL ITEMS EXCLUDING FOOD ROSE BY 0.4 PERCENT. IN THREE
MONTHS TO DECEMBER, FOOD PRICES ROSE AT SEASONALLY ADJUSTED
ANNUAL RATE OF 22.7 PERCENT, COMPARED WITH 6.8 PERCENT

ANNUAL RATE OF INCREASE FOR NON-FOOD PRICES.

4. ON NON-SEASONALLY ADJUSTED BASIS, CPI ROSE FROM 166.1 IN NOVEMBER TO 167.2 IN DECEMBER, AN INCREASE OF 0.7 PERCENT. INDEX STANDS 9.5 PERCENT ABOVE LEVEL OF DECEMBER 1976. TWELVE MONTH INCREASE IN FOOD PRICES WAS 15.4 PERCENT ACCOUNTING FOR 2/3 OF TOTAL INCREASE IN CPI. NON-FOOD PRICES ROSE 7.4 PERCENT IN 12 MONTHS TO DECEMBER. OVER SAME PERIOD, PRICES OF GOODS ROSE 10.7 PERCENT WHILE PRICES OF SERVICES WERE UP BY 7.5 PERCENT.

5. AVERAGE INCREASE IN CPI IN 1977 WAS 8 PERCENT, WITH PATTERN OF ACCELERATION DURING COURSE OF YEAR. DECEMBER LEVEL OF CPI STOOD 4 PERCENT ABOVE AVERAGE LEVEL FOR 1977 AS A WHOLE. CONSEQUENTLY, EVEN IF THERE WERE NO INCREASE IN CPI DURING 1978, AVERAGE RISE IN CPI OVER 1977 AVERAGE WOULD BE 4 PERCENT. FOOD PRICES IN DECEMBER WERE 6 PERCENT ABOVE 1977 AVERAGE, WHILE NON-FOOD PRICES EXCEEDED 1977 AVERAGE BY ONLY 3 PERCENT. FIGURES FOR OVERALL CPI IMPLY THAT UNDER AN OPTIMISTIC SCENARIO, UNDER WHICH PRICES RISE BY ONLY 6 PERCENT BETWEEN DECEMBER 1977 AND DECEMBER 1978, YEAR OVER YEAR INCREASE IN CPI WILL STILL EXCEED 7 PERCENT. FOR EMBASSY ASSESSMENT OF INFLATION OUTLOOK FOR THIS YEAR SEE OTTAWA 262. ENDERS

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INFLATION
Control Number: n/a
Copy: SINGLE
Draft Date: 18 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978OTTAWA00267
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780026-0245
Format: TEL
From: OTTAWA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780150/aaaabpvn.tel
Line Count: 85
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: fa043ce2-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 01 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3755642
Secure: OPEN
Status: NATIVE
Subject: CANADIAN INFLATION CONTINUES TO ACCELERATE IN DECEMBER
TAGS: ECON, EFIN, CA
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/fa043ce2-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014